

House File 2429 - Introduced

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BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2350)

(SUCCESSOR TO HSB 585)

A BILL FOR

1 An Act concerning horse and dog racing medication requirements
2 and gambling game licensure requirements and fees, and
3 including penalty and applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MEDICATION REQUIREMENTS AND FINES

1
2
3 Section 1. Section 99D.2, Code 2016, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 9A. *“Racing industry standards”* means the
6 racing standards established by a standard-setting organization
7 that has been formally recognized by both the commission and
8 the Iowa horsemen’s benevolent and protective association.

9 Sec. 2. Section 99D.7, subsection 4, Code 2016, is amended
10 to read as follows:

11 4. To adopt standards under which all race meetings shall be
12 held ~~and~~, standards for the facilities within which the race
13 meetings shall be held, and racing industry standards.

14 Sec. 3. Section 99D.7, subsection 19, Code 2016, is amended
15 to read as follows:

16 19. To revoke or suspend licenses and impose fines ~~not to~~
17 ~~exceed one thousand dollars.~~ in the following amounts:

18 a. For a violation not involving medication of a horse or
19 dog, an amount not to exceed one thousand dollars.

20 b. For a violation involving medication of a horse or
21 dog, an amount not to exceed the following for the following
22 designated periods:

23 (1) For a violation occurring during the period beginning
24 July 1, 2016, and ending December 31, 2016, two thousand five
25 hundred dollars.

26 (2) For a violation occurring during the period beginning
27 January 1, 2017, and ending December 31, 2017, five thousand
28 dollars.

29 (3) For a violation occurring during the period beginning
30 January 1, 2018, and ending December 31, 2018, seven thousand
31 five hundred dollars.

32 (4) For a violation occurring during the period beginning
33 January 1, 2019, and ending December 31, 2019, ten thousand
34 dollars.

35 (5) For a violation occurring on or after January 1,

1 2020, an amount not to exceed an amount as determined by
2 the commission consistent with racing industry standards for
3 medication violations.

4 Sec. 4. Section 99D.25, subsection 1, paragraph b, Code
5 2016, is amended to read as follows:

6 *b.* *"Numbing"* means the applying of ~~ice or~~ a freezing device
7 or substance to the limbs of a horse or dog within two hours
8 before the start of a race, or a surgical or other procedure
9 which was, at any time, performed in which the nerves of a
10 horse or dog were severed, destroyed, injected, or removed.
11 For purposes of this paragraph, ice is not a freezing device or
12 substance when used to reduce inflammation.

13 Sec. 5. Section 99D.25A, subsections 2 and 4, Code 2016, are
14 amended to read as follows:

15 2. ~~Phenylbutazone shall not be administered to a horse in~~
16 ~~dosages which would result in concentrations of more than five~~
17 ~~micrograms of the substance or its metabolites per milliliter~~
18 ~~of blood. In races recognized as graded stakes thoroughbred~~
19 ~~races, the~~ The commission may establish restrictions on
20 dosage amounts for phenylbutazone which would result in
21 ~~concentrations of less than five micrograms of the substance~~
22 ~~or its metabolites per milliliter of blood and its metabolites~~
23 which are consistent with racing industry standards.

24 4. If a test detects concentrations of phenylbutazone in
25 the system of a horse in excess of the level permitted in this
26 section, the commission shall assess a civil penalty against
27 the trainer ~~of at least two hundred dollars for the first~~
28 ~~offense and at least five hundred dollars for a second offense.~~
29 ~~The penalty for a third or subsequent offense shall be,~~ in
30 the discretion of the commission, that does not exceed racing
31 industry standards.

32 DIVISION II

33 GAMBLING GAME LICENSURE

34 Sec. 6. Section 99F.5, subsection 1, Code 2016, is amended
35 to read as follows:

1 1. A qualified sponsoring organization may apply to the
2 commission for a license to conduct gambling games on an
3 excursion gambling boat or gambling structure as provided in
4 this chapter. A person may apply to the commission for a
5 license to operate an excursion gambling boat. An operating
6 agreement entered into on or after May 6, 2004, between
7 a qualified sponsoring organization and an operator of an
8 excursion gambling boat or gambling structure shall provide for
9 a minimum distribution by the qualified sponsoring organization
10 for educational, civic, public, charitable, patriotic, or
11 religious uses as defined in section 99B.1, that averages at
12 least three percent of the adjusted gross receipts for each
13 license year. If an operating agreement has been entered into
14 between a qualified sponsoring organization and an operator of
15 an excursion gambling boat or gambling structure, the person
16 licensed to operate the excursion gambling boat or gambling
17 structure pursuant to that agreement shall be noted and
18 included as a part of the initial or renewed license issued to
19 the qualified sponsoring organization. The application shall
20 be filed with the administrator of the commission at least
21 ninety days before the first day of the next excursion season
22 as determined by the commission, shall identify the excursion
23 gambling boat upon which gambling games will be authorized,
24 shall specify the exact location where the excursion gambling
25 boat will be docked, and shall be in a form and contain
26 information as the commission prescribes. The minimum capacity
27 of an excursion gambling boat or gambling structure is two
28 hundred fifty persons.

29 Sec. 7. Section 99F.10, subsection 7, Code 2016, is amended
30 to read as follows:

31 7. In addition to any other fees required by **this chapter**,
32 a person awarded a new license to conduct gambling games
33 pursuant to **section 99F.7** on or after January 1, 2004, shall
34 pay the applicable initial license fee to the commission as
35 provided by **this subsection**. A person awarded a new license

1 shall pay one-fifth of the applicable initial license fee
2 immediately upon the granting of the license, one-fifth of
3 the applicable initial license fee within one year of the
4 granting of the license, one-fifth of the applicable initial
5 license fee within two years of the granting of the license,
6 one-fifth of the applicable initial license fee within three
7 years of the granting of the license, and the remaining
8 one-fifth of the applicable initial license fee within four
9 years of the granting of the license. However, the license
10 fee provided for in [this subsection](#) shall ~~not~~ only apply when
11 ~~a licensed facility is sold and a new license is issued to the~~
12 purchaser a person for a facility that increases the number of
13 licensed facilities in the county. Fees paid pursuant to this
14 subsection are not refundable to the licensee. For purposes of
15 this subsection, the applicable initial license fee shall be
16 five million dollars if the population of the county where the
17 licensee shall conduct gambling games is fifteen thousand or
18 less based upon the most recent federal decennial census, shall
19 be ten million dollars if the population of the county where
20 the licensee shall conduct gambling games is more than fifteen
21 thousand and less than one hundred thousand based upon the most
22 recent federal decennial census, and shall be twenty million
23 dollars if the population of the county where the licensee
24 shall conduct gambling games is one hundred thousand or more
25 based upon the most recent federal decennial census. Moneys
26 collected by the commission from an initial license fee paid
27 under [this subsection](#) shall be deposited in the rebuild Iowa
28 infrastructure fund created in [section 8.57](#).

29 Sec. 8. APPLICABILITY. This division of this Act applies to
30 initial or renewed licenses issued to a qualified sponsoring
31 organization on or after the effective date of this division
32 of this Act.

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 Division I concerns medication requirements for a horse or
2 dog involved in racing.

3 Code section 99D.2 is amended to define "racing industry
4 standards" as the racing standards established by a
5 standard-setting organization recognized by the racing and
6 gaming commission and the Iowa horsemen's benevolent and
7 protective association. The bill authorizes the commission to
8 adopt racing industry standards.

9 Code section 99D.7(19), concerning fines imposed by the
10 commission, is amended. Current law provides that the maximum
11 fine for all violations is \$1,000. The bill provides that the
12 maximum fine for a violation not involving medication of a
13 horse or dog is \$1,000. The bill provides that for a violation
14 involving medication of a horse or dog, the maximum fine is
15 \$2,500 from July through December of calendar year 2016, \$5,000
16 for calendar year 2017, \$7,500 for calendar year 2018, \$10,000
17 for calendar year 2019, and the amount as determined consistent
18 with racing industry standards beginning on or after January
19 1, 2020.

20 Code section 99D.25, concerning drugging or numbing, is
21 amended to provide that in defining numbing, ice is not a
22 freezing device or substance constituting numbing when used to
23 reduce inflammation.

24 Code section 99D.25A, concerning administration of
25 furosemide or phenylbutazone, is amended to provide that the
26 commission may establish restrictions on dosage amounts for
27 phenylbutazone consistent with racing industry standards
28 instead of specifying in the Code section the allowable
29 concentration levels of the substance. The Code section is
30 further amended to provide that the commission shall assess a
31 civil penalty that does not exceed racing industry standards
32 against a trainer for a horse with an excess concentration of
33 phenylbutazone.

34 Division II concerns gambling game licensure.

35 Code section 99F.5, concerning gambling game licensing, is

1 amended to provide that if an operating agreement has been
2 entered into between a qualified sponsoring organization and an
3 operator of an excursion gambling boat or gambling structure,
4 the person licensed to operate the boat or structure shall be
5 noted and included as a part of the initial or renewed license
6 issued to the qualified sponsoring organization.

7 Code section 99F.10, concerning license fees, is amended to
8 provide that the initial license fee shall be paid only when a
9 new license is issued to a person for a facility that increases
10 the number of licensed facilities in the county.

11 This division of the bill applies to licenses issued or
12 renewed on or after the effective date of this division of the
13 bill.